GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:597
ANSWERED ON:26.02.2016
Irregularities by Housing Finance Companies
Kumar Dr. Virendra

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has noticed that a lot of cases are coming up against housing finance companies / builders duping investors by offering various high return schemes;
(b) if so, the details thereof and the number of cases reported during each of the last three years and the current year, State/UT-wise along with the action taken thereon;
(c) whether the Government has conducted any enquiry in this regard and if so, the details thereof; and
(d) the steps taken / being taken by the Government to protect customers from the fraud housing companies?

Answer

The Minister of State in the Ministry of Finance

(a) to (c): As on date, 71 Housing Finance Companies (HFCs) are registered under Section 29A of the National Housing Bank (NHB) Act, 1987, and out of them, only 12 HFCs are permitted to accept public deposits. NHB has prescribed rate of interest ceiling of 12.5% p.a on acceptance or renewal of any public deposit by HFC and such interest being payable or compounded at rests which should not be shorter than monthly rest.

NHB has reported that no complaint of duping of investors by the HFCs, registered with NHB has been received.

(d) National Housing Bank (NHB) publishes 'Public Notices' annually in leading and local newspapers for creating awareness amongst public in Hindi, English and Vernacular Languages.

NHB has setup a dedicated Complaint Redressal Cell (CRC), under its Grievance Redressal Policy (GRP). In terms of GRP, deposit related complaints are examined to ascertain whether the Housing Finance Company (HFC) has violated any provisions of the NHB Act, 1987 (Central Act No. 53 of 1987) or the Housing Finance Companies (NHB) Directions, 2010 or any Guidelines issued there under from time to time.

*****